



Department of Military Affairs

PURCHASING CARD POLICY

1.0 GUIDELINES FOR PURCHASING CARD USE

A. PURCHASING CARD ACTIVATION

To activate your state purchasing card you will need to call US Bank at the number provided on the card. You will be asked to enter your card account number and your zip code - 59636, business phone number and social security number. When you are asked for your social security number, you will enter the last four digits of your state employee ID. After this call, your purchasing card is ready for use.

B. PURCHASING CARD USE

The VISA purchasing card can be used at any business that accepts VISA cards. Your purchasing card has specific spending limits that are determined by state guidelines and your supervisor/program manager. The department purchasing card coordinator can tell you the spending limits that were set for your purchasing card.

If you experience denials when trying to use your purchasing card, contact US Bank customer service with the date, dollar amount, merchant's name and the approximate time of the attempted purchase. They will be able to investigate to see if the merchant category or spending limits caused the denial. To change your spending limits your supervisor must send a written request to the purchasing card administrator.

C. TRANSACTION PROCEDURE

When you make a transaction using the purchasing card, please follow the procedures below:

1. Always make sure the invoice and purchasing card slip are for the same amount of money.
2. When making phone or mail orders the cardholder should instruct the vendor to:
 - Send the invoice to the attention of the cardholder if the package is sent to someone other than the cardholder.
 - Include the credit card slip inside the package if the package is being sent to the card holder.
3. Purchasing card charges cannot be split in order to avoid exceeding your individual spending limit or to avoid the state procurement policy guidelines.

4. All transactions must have an understandable description, (i.e. books, screws, light bulbs, etc). Part numbers are not acceptable because they do not provide enough information for finance personnel to be able to correctly code the transaction to the State Accounting Budget and Human Resource System (SABHRS). If the transaction description on the invoice is a part number, briefly describe on the invoice or separate piece of paper what is being purchased.
5. When a purchase is made for someone other than the cardholder the original invoice must be submitted to CSD through the division requesting the purchase. The invoice must have the appropriate division coding and authorizations when submitted to CSD.
6. All purchasing card transactions, including purchases made by purchase order and/or telephone order, must be submitted to Centralized Services Division (CSD) within **five business days** of purchase in order to meet the purchasing system processing timelines. Therefore, it is important that invoices be submitted to the program approving official promptly to ensure adequate processing time.

D. FAILURE TO SUBMIT INVOICES WITHIN THE FIVE DAY TIMELINE

- a. **FIRST FAILURE TO COMPLY:** CSD will notify the cardholder of non-compliance by email.
- b. **SECOND FAILURE:** CSD will notify the cardholder of non-compliance by email.
- c. **THIRD FAILURE:** CSD will notify the cardholder and the cardholder's supervisor in writing.
- d. **THEREAFTER:** CSD will notify the cardholder's supervisor to retrieve the purchasing card from the cardholder and return it to the purchasing card administrator in CSD. The card will be suspended for three months or permanently canceled depending on the level of non-compliance. Suspension or cancellation will be agreed upon by the cardholder's supervisor/program manager and CSD.

E. AVOIDING DUPLICATE PAYMENT

Duplicate payments are UNACCEPTABLE. Duplicate payments occur when the cardholder doesn't clearly indicate that an invoice is a purchasing card charge and the invoice gets paid with a warrant/check and also in the purchasing card system. If this happens, CSD will notify the cardholder, along with their supervisor, that there has been a duplicate payment. If this happens more than twice, the card will be suspended for three months or permanently canceled depending on the level of non-compliance.

Credit Card or CC must be written in the top right hand corner of the invoice so that it is easily seen by finance personnel processing the invoice.

2.0 WHAT CAN NOT BE PURCHASED USING THE PURCHASING CARD?

The purchasing card **can not be used** for any of the following:

- A. Personal use
- B. Cash advances
- C. Any state-related lodging that exceeds the authorized limits
- D. Health and medical services
- E. Standard merchant category exclusions (e.g., liquor stores, cigar stores, etc.)

3.0 CREDIT CARD SECURITY

The purchasing card must always be treated with a level of care that will reasonably secure the card and account number.

A. STORAGE OF THE PURCHASING CARD

Keep your purchasing card in an accessible – but secure – location.

B. CREDIT CARD ACCOUNT NUMBER

Guard the purchasing card account number carefully. Do not post it at your desk or write it in your day planner.

C. SHARING (OR USE BY SOMEONE OTHER THAN THE CARDHOLDER)

The only person authorized to use the purchasing card is the person whose name appears on the face of the card. **Do not lend your purchasing card to another person for use.** Use of the purchasing card by someone other than the cardholder is cause for suspension and/or forfeiture of the card.

D. LOST OR STOLEN CARDS

Lost or stolen purchasing cards must be reported **immediately** to US Bank at 1-800-344-5696 (24 hours a day access). Notify your supervisor and/or the purchasing card administrator as soon as possible.

4.0 WHAT IF I LEAVE THE DEPARTMENT OF MILITARY AFFAIRS OR NO LONGER NEED MY CARD?

The purchasing card must be turned in to the cardholder's supervisor or the purchasing card administrator no later than the last day of employment with the department.

The supervisor is responsible for ensuring the purchasing card administrator is notified when an employee's card should be canceled.

5.0 DISPUTED ITEMS

The cardholder is responsible for contacting the vendor and resolving all disputes that occur when purchasing with the purchasing card. The purchasing card administrator must be notified of all disputes. **This needs to be done promptly.**

6.0 CREDITS FOR RETURNED ITEMS

When an item purchased with a purchasing card is returned the vendor must issue a credit to the purchasing card and provide the cardholder with a credit invoice. All credit invoices must be turned in as if they were a purchase invoice.

7.0 TRAINING

All Department of Military Affairs employees who are purchasing card holders must attend **mandatory** purchasing card training before receiving their purchasing card. Cardholders will attend training before initial receipt of their purchasing card and each time the card is reissued.

In addition to purchasing cardholders, all administrative/accounting personnel who are responsible for processing purchasing card charges must attend the same training.

Training can be scheduled by calling the purchasing card administrator in CSD.

8.0 WILL THE PURCHASING CARD HAVE ANY IMPACT ON THE CARDHOLDER'S PERSONAL CREDIT REFERENCE?

NO. The purchasing card is a corporate card, not a personal card. However, the cardholder is responsible to use the purchasing card in a manner approved by the State and Department of Military Affairs. (See your cardholder agreement)

Purchasing Card Administrator

Sally Byrd – 324-3331

Peter Schaefer – 324-3333

Purchasing Card Coordinator

Dawny McElderry – 324-3339

POLICY REVIEW

This policy will be reviewed annually. Changes may be made either by addendum or complete rewrite as necessary. The proponent for this policy is the Administrator, Centralized Services Division.

APPROVED



(Signature)

Karen Revious

Centralized Services Administrator

June 12, 2008

(Date)

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